(d) The main reasons for restricting development of renewable energy are—inherent intermittent nature of renewable energy sources leading to relatively lower capacity utilization factors; relatively high capital costs compared to conventional power systems; requirement of preferential tariffs apart from other fiscal/financial concessions to make grid interactive renewable power and the need for maintaining a balance among various sources—whether conventional, nuclear or renewable—to ensure that avoidable additional costs are not unnecessarily strapped on to the development process, which is already facing an acute scarcity of financial resources.

(e) The aim is to deploy around 10 per cent of the additional grid interactive power installed capacity from renewables during the Tenth and Eleventh Plan periods. During the first two years of the Tenth Plan, 10 and 2 percentage points of grid interactive power installed capacity has come from wind and small hydro power respectively, apart from 3 percentage point from bio energy thereby making it a total of 15 percentage points of grid interactive renewable power installed capacity. Hence, the rate of deployment of these renewable technologies is highly satisfactory. Financial incentives apart from fiscal incentives such as accelerated depreciation, relief in taxes and duties and term loans from financial institutions are being provided apart from preferential tariff to grid interactive renewable power being available in serveal potential States. Further, SPV systems have been found to be competitive for small loads like home lighting system etc. in remote applications, where grid extension is either not cost-effective or feasible. Over 25,000 villages have already been identified as remote where SPV systems are being deployed alongwith other renewable energy technologies. In this regard, this Ministry is setting up some test projects in selected remote villages to try out the concept of village energy security by providing the entire needs of cooking, lighting and motive through the biomass route in conjunction or otherwise with micro hydel power and other renewable technologies. This apart, in furtherance of the aim of energy conservation, solar thermal system deployment is being facilitated.

Setting up hydro-electric power plant in Assam

1648. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of POWER be pleased to state:

(a) whether Assam has the potential of generating 34,000 MW of hydro-electricity, but only 668 MW has been tapped so far;

(b) whether Government have any proposal to construct more hydro-electric power plants in Assam; and

(c) if so, the steps taken in this regard?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) As per re-assessment study carried out by the Central Electricity Authority (CEA), the identified hydro-electric potential of Assam is 680 MW. Out of this identified capacity, 4 power projects with an aggregate installed capacity of 275 MW are presently in operation. In addition, 3 small hydro projects with an aggregate capacity of 2.11 MW have been set up in Assam.

(b) and (c) Karbi Langpi (100 MW) is presently under construction in the State Sector. In addition, 8 small hydro projects (upto 25 MW Capacity) which aggregate to a capacity of 51 MW are under construction in Assam.

National Electricity Policy

1649. SHRI T.S. BAJWA: Will the Minister of POWER be pleased to state:

(a) whether Government have finalized and formulated its National Electricity Policy;

(b) if so, the details thereof with particular reference to Jammu & Kashmir; and

(c) what role has been assigned to private investors in the field of production and distribution in the policy?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) Yes sir, the National Electricity Policy has been notified on 12th February, 2005 under the provisions of Section 3 of the Electricity Act, 2003. Salient features of the policy are enclosed as Statement. (*see* below)

The policy seeks to lay emphasis on the full development of feasible hydro potential in the country. Harnessing hydro potential speedily will also facilitate economic development of States like Jammu and Kashmir in which a large proportion of hydro power potential is located.

(c) The National Electricity Policy envisages a role for private sector alongwith that of public sector to meet the objective of "Demand to be fully met by 2012". The Policy states that to meet the objective of rapid economic growth and "power for all" including household electrification, an estimated investment of about Rs. 9,00,000 crores would be required to finance